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# NASA Procedural Requirements

**COMPLIANCE IS MANDATORY****NPR 9260.1A**

Effective Date: February 09,

2015

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## Subject: Liabilities

**Responsible Office: Office of the Chief Financial Officer**[| TOC | Preface | Chapter1 | Chapter2 | Chapter3 | Chapter4 | Chapter5 | Chapter6 | Chapter7 | Chapter8 | Chapter9 | AppendixA | AppendixB | AppendixC | ALL |](#)

## Chapter 8 Other Contingent Liability Matters

### 8.1 Identification of Other Contingent Liabilities

8.1.1 During each quarter as required under OMB Circular A-136, Agency OCFO and the Agency Office of the General Counsel (OGC) will coordinate collection from the Office of Chief Counsel (OCC) at each Center, information relating to all measurable and material pending or threatened litigation, claims, and assessments, including cases to be paid from the Judgment Fund against NASA. These matters may include claims or threatened claims, based on employment, contract, or personal conduct actions by NASA or its personnel, accidents, or other events. Agency OCFO and OGC will coordinate consolidation of Center and Agency-level information regarding these matters into a single report by the last day of the quarter.

8.1.2 The data are summarized into three categories: Probable, Reasonably Possible, and Remote. With the exception of pending or threatened litigation and unasserted claims, "probable" means "that it is" more likely than not "that NASA will have to make a payment." For pending or threatened litigation and unasserted claims, "probable" means "likely." See Section 2.3 of this NPR for definition of probable, reasonably possible, and remote.

8.1.3 Materiality considerations. In accordance with SFFAS 12, Paragraph 8 and Section 2.5 of this NPR the requirements for recognizing or disclosing contingent liabilities for pending or threatened litigations and unasserted claims are not applicable to immaterial items. As stated in Section 2.5.2 of this NPR, while determining the materiality of contingent liabilities arising out of pending or threatened litigations or unasserted claims, both qualitative and quantitative aspects of the materiality should be evaluated to determine whether a liability should be recognized and/or disclosed in the financial statements.

### 8.2 Recording and Reporting Other Contingent Liabilities

8.2.1 A summary of commitments and contingencies is reported annually by each CCFOO and included as a line item or footnote in the official Government-wide trial balance system and NASA's annual financial statements. This data reflects NASA's position at the end of the fiscal year. The data includes all Agency financial commitments and contingencies stated at the maximum limit of risk.

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